

Current Money

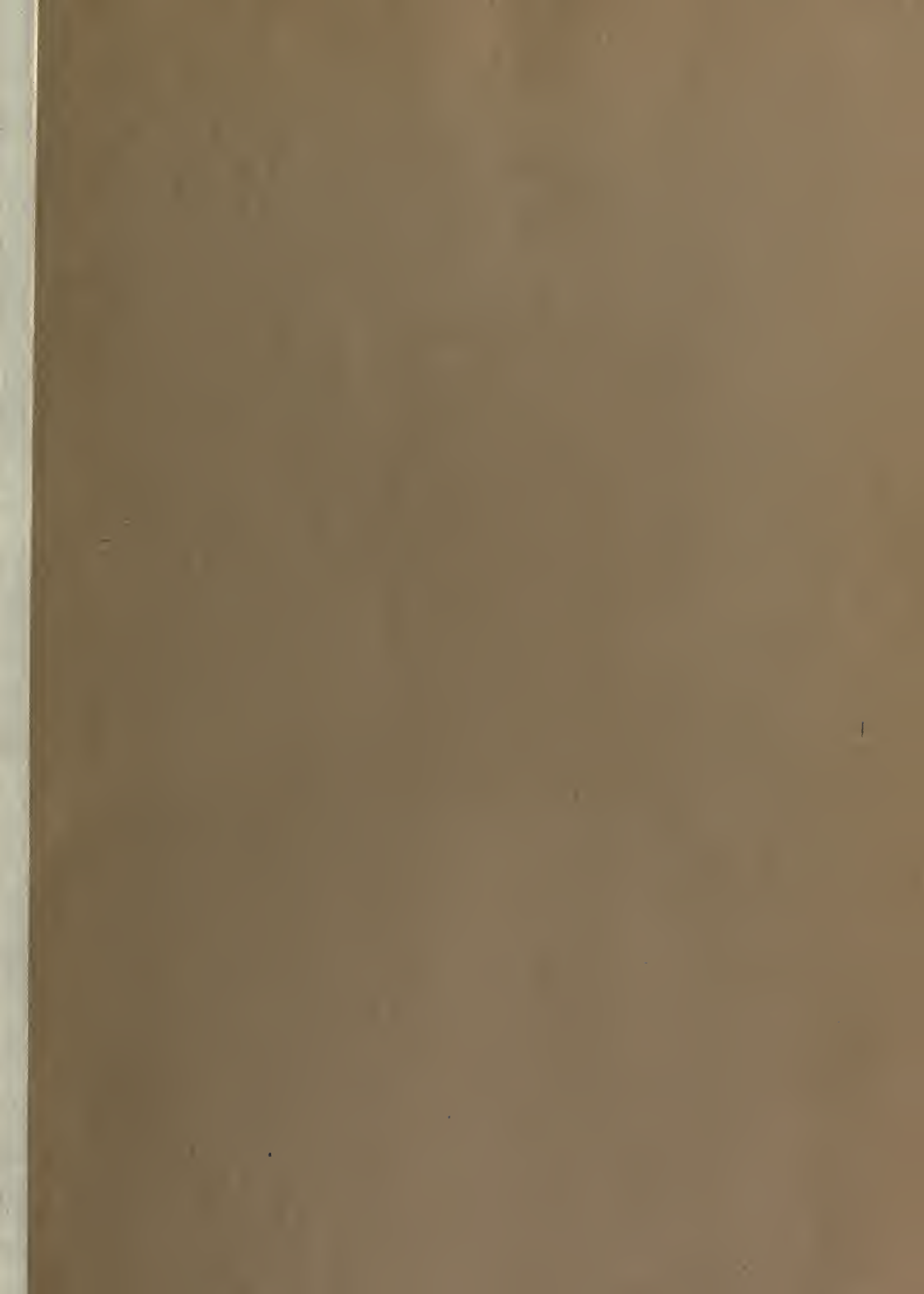
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Current Money

A SERIES OF STUDIES IN FINANCE

Vol. 1, No. 1.

Oakland, Cal., March 20, 1896.

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OUR STUDY CORNER.

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Permission is willingly given to exchanges to re-print articles from CURRENT MONEY, and the editors request in return that such exchanges run the following notice under the articles reprinted:

CURRENT MONEY.

A SERIES OF STUDIES IN FINANCE.

Matt. 22:19. Neh. 5:4. Ex. 32:31.

ISSUED MONTHLY.

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At Capernaum, they that collected the half-shekel, tribute money, came to Peter and said: "Doth not your Master pay the half-shekel?" "Yea," said he. But as he came into the house, Jesus spake to him first, saying: "What thinkest thou, Simon? Of whom do the kings of the earth take toll or tribute? their own children, or of strangers?" Peter saith, "Of strangers."

"Then Are the Children Free."

"Cherish public credit * * * avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear." —George Washington. September 19, 1786.

The Money Question.

What are we intending to say? Are we advocates of a single gold standard, or of a single silver standard, or of a double standard? Or are we greenbackers, or believers in bank notes? These are the questions asked us on presenting the matter of this publication to friends. Were our present opinions to be given—opinions some of them inherited from the struggles of former generations, some of them derived from the past year's study of the money question—it is probable that a former instructor would quote to us from a Charter Day Address given at the University, Berkeley, March 23, 1886, by Prof. Moses:

"Knowledge is a dangerous thing taken in small quantities." "The more threatening source of danger to society is that widely diffused

HALF KNOWLEDGE

Which marks this age of expanding democracy—"a knowledge which is sufficient to discern the existence of the problem [social and political unrest], but not sufficient to hinder the advocacy of irrational and inefficient means for its solution." "The doom of onward change is upon us."

What are we to say? What say you? My dear madam, can your husband give you a single reason for the free coinage of silver that does not apply to gold as well? And, sir, on the other hand, do the reasons for

the coinage of either gold or silver necessitate the exclusion of the other? In fact, does it not all depend upon the nation's ideal underlying its use of money? What is money? A tool of trade. A means, whereby through its possession and investment, its possessor may relieve himself from future labor—may have an assured income. The possession of investments is the end of national life. Money is coined by the Government to facilitate the exchanges of its citizens.

The last four statements seem to be contradictory, both as to money and as to the relation of money to the nation. Which are true?

The gold standard men seem to be unanimous in affirming that

"So soon as the capitalists, small and great, of Europe shall know that the United States have definitely adopted the gold standard and relegated silver to a subordinate monetary role,

THE SAVINGS OF WESTERN EUROPE

Will flow toward that country [the United States]. Freed from the fear that he may some day be repaid in depreciated money, every person with savings in all Europe will be happy to find a return of $3\frac{1}{2}$ to 4 per cent. in good American securities, and of 5 to $5\frac{1}{2}$ per cent. in the shares of well-established American enterprises."—Leroy-Beaulieu in *Forum*, Dec. 1895.

Says the Comptroller of the Currency:

"It would be foolish to undertake to conceal that the source of our difficulty lies in the fear * * * that the United States cannot, in the face of existing laws, maintain the gold standard as its unit of value * * *. A second consideration * * * is, that ours is a DEBTOR and CREDITOR nation [small caps are the author's], and that we least of all people can afford to cheapen our monetary standard, and to lessen our credit. Here no sentimentalism can possibly enter. The question is not whether we ought to go back to the dollar of the fathers, [or] to protect the silver-mine owners, or to undertake to maintain two metals of unequal value always at the same value. The question is rather whether or not we can afford to kill our credit with those who buy our railroad securities, and to whom, at every turn, we look when money is to be borrowed. * * * It will be time enough to have a silver standard when the citizens of the United States are buying the government and railroad securities, of Great Britain, France and Germany, [and] are lending to foreigners American money, and are investing in their enterprises. So long as the contrary situation exists our people must remain—though it hurts the intense Americanism of some of them—without choice in the matter."—J. H. Eckles in *Forum*, March, 1895.

Says an active merchant of New York city:

"The foreigner looks with derision at the spectacle of the richest and most enterprising people in the world suffering from their ridiculous experiments with the immutable laws of finance. This is the more humiliating when it is recognized how usefully

WE COULD EMPLOY REAL MONEY

In developing a country like this, and that we cannot get it, at a time when there is such a plethora of gold in Europe as was never known before, which is daily and weekly being augmented from the African and Australian mines. OUR OWN CAPITALISTS are at one with the foreigner in distrusting the soundness of the financial situation of this country. Otherwise money would not be loaning at 1 per cent. per annum in Wall street."—Abraham Mills in *Engineering Magazine*, November, 1895.

Eckles thinks that we are not an independent nation. And we cannot be until, through the posses-

sion of an American money, we, or some of us, will be able to so insert our money investments in between the citizen of a foreign country and his country, as to make them the proper object to which the foreign citizen's allegiance is due.

And Mills covets "real money" with which to develop our country, and laments that we cannot get gold from Europe's plethora. Has our country thus far in its existence developed itself without real money? and that, too, in spite of its absence?

Really, the problem then of the gold standard men is not to find or devise a money for our people, but to make opportunities for foreign investors.

Said Grover Cleveland, in his official capacity, during the panic of 1893:

"Suddenly, financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. * * * I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the General Government. * * *

* The knowledge in business circles among our own people that our Government cannot make its fiat equivalent to intrinsic value, nor keep inferior money on a parity with superior money by its own independent efforts, has resulted in such a lack of confidence at home in the stability of currency values, that capital refuses its aid to new enterprises, while millions are actually withdrawn from the channels of trade and commerce to become idle and unproductive in the hands of timid owners. FOREIGN INVESTORS, EQUALLY ALERT, not only decline to purchase American securities, but make haste to sacrifice those which they already have."—Special Message, Aug. 8, 1893.

And again the President says:

"The important question is not the quantity of money received in revenue payments, but the kind of money we maintain and our ability to continue in sound financial condition. * * * Of course the general state of our funds, exclusive of gold, was entirely immaterial to the foreign creditor and investor. His debt could only be paid in gold, and his only concern was our ability to keep on hand that kind of money."—Annual Message, Dec. 2, 1895.

Suppose there were no foreign capital, would or would not Americans develop their own resources; and that, too, to a point

SUFFICIENT TO GIVE SUPPORT AND WORK

To every American. If the single gold standard means or implies or necessitates the exploitation—the development—of our country for the benefit of foreigners first, and Americans next (provided there be anything left over for the benefit of Americans)—if so, then let us all unite with Lincoln in declaring that "This country, with its institutions, belongs to the people who inhabit it."—Lincoln, 1861.

After our own have been provided with clothes and food and fuel and homes, there will then be time enough to legislate for the benefit of foreign gold owners, foreign investors. Charity begins at home.

If the above be not expressive enough of the intentions of the editors of this Journal, let us proceed to examine the attitude of two great classes of our citizens, the Wage Workers and Dividend Receivers,

Associated Labor, in their platform of political demands, adopted in San Francisco February 17, 1896, expressed the opinion of many Americans

IN PLANK 6.

"The United States to have the exclusive right to issue money."

And the associated bankers, through their president, W. C. Cornwell of New York (in the Forum, February, 1895, p. 643) declare that "commerce is to-day using check money to an

EXTENT OF 94 PER CENT

Out of 100 per cent of its transactions; actual coin is used to an extent of about $1\frac{1}{2}$ per cent, paper money to about $4\frac{1}{2}$ per cent. The check money is used for the larger transactions, and paper money and coin for the smaller." And the bankers then ask, "Is there any objection to giving it [the bank] the privilege of using $4\frac{1}{2}$ per cent more [check money] and furnishing, through [its] perfect machinery, adapted for the purpose by the experience of all time, all the paper money needed?"

Somebody will object. Many of us may possibly object also. Men have differed before this regarding the advisability of emitting bills of credit, of issuing bonds in time of peace, and of coining paper money; and now differ on free coinage. Let us all withhold our opinions for the time being upon this technical civic question. Agreed. But the housewife insists that household expenses are usually not paid in bank checks. Silver coin is the money of the household and of the school child.

Nickels pay for carfares. The good man gets his wages in small gold and silver. The opinion of the folks at home is that there is need of more money, more change, more silver, for daily use in the household. Regarding the larger questions, let us say, in Lincoln's words: "If we could first know where we are, and whither we are tending, we could better judge what to do, and how to do it."

Every voter must pass upon the financial question

AT THE ELECTIONS OF 1896

By his vote. To cast that vote intelligently he should study the subject. None the less should women study the same problems. Women will vote this year in Wyoming, Colorado and Utah; and probably in 1898 in California.

Friends all, accompany the editors of this Journal in our studies of these monetary problems, and in good time be ready with reasons for the faith that is in us—faith in the power of our Government to do what it ought to do as a Government; faith in ourselves to be able to refuse to wreck our Government by the issuance of gold bonds; faith in the possibilities of our future if only our children are not born to an inheritance of debt.

B.

The Question Stated.

PLANK 6 of the Labor Platform reads: "The United States to have the exclusive right to issue money." What is money? A very conservative business man, whose duty it is to know something about money, stated at the time of the Baring Failure that he could not give an all-including, accurate definition of the term money, although he knew what standard money and token money and representative money are—as those terms are used by bankers.

A famous logician, in his text on "Money," says: "Much ingenuity has been spent upon attempts to define the term MONEY, and puzzling questions have arisen as to the precise kinds of credit documents which are to be included under the term. Standard legal tender coin of full weight is undoubtedly money, and as convertible legal tender bank notes [in England, not in the United States] are exactly equivalent to the coined money for which they may at any moment be exchanged, it has often been considered that these also may be included. But inconvertible notes are often legal tender by law, and can discharge in inland trade all the functions of money. Are they not then to be included? The question will next arise whether checks may not be as good as money. All such attempts at definition seem

TO INVOLVE THE LOGICAL BLUNDER

Of supposing that we may, by settling the meaning of a single word, avoid all the complex differences and various conditions of many things, each requiring its own definition."—Jevons on Money (1875) p. 248.

Mr. Jevons is an Englishman; he wrote in 1875. His hesitancy in defining MONEY was not from a lack of knowledge, but from a certainty of the evils of concentration. He devotes a chapter (iii) to a discussion of the four functions of money, and then declares that the partition of these functions amongst different substances is practicable. "Living in civilized communities," he says, "and accustomed to the use of coined metallic money, we learn to identify money with gold and silver; hence spring hurtful and insidious fallacies. It is always useful, therefore, to be reminded of the truth, so well stated by Turgot, that every kind of merchandise has the two properties of measuring value and transferring value."—ibid chap. iv.

A later writer, Mr. Horace White, editor of the New York Evening Post, in his new book, says:

"Money is anything that serves as a common medium of exchange and measure of value. It need not be a good measure; it is only necessary that it should be the agreed measure of any time, place or people. We are now speaking of real money—not its representatives or substitutes."—White on Money and Banking, p. 3 (1895).

"The word barter is commonly used to signify the exchange of property without the use of money. It must be borne in mind, however, that all trade is bar-

What is the estimated annual profit of banks on lost and unclaimed paper? About 10 per cent of the capital.

ter, even when the precious metals are employed as intermediaries—the latter being articles of barter also, and possessing the same value as the things for which they are exchanged. The whole science of money hinges on this fact.”—*ibid*, p. 25.

Let us lay aside for the moment the terms, standard money and token and representative money, convertible and inconvertible bank notes, barter and commerce and value, and the four commonly accepted functions of money.

The financiers of the day are discussing money as a tool of trade. In the bottom of your pocket lies a nickel piece. Such a coin was authorized to be coined by the act of March 16, 1866, and was made a legal tender to the amount of \$1.00. By the act demonetizing silver, in 1873, the currentness of the nickel was reduced in amount from \$1.00 to 25 cents in payments. The silver dollar, coined under a later statute, was made a full legal tender, except where otherwise expressly stipulated in the contract. Silver-dollar is satisfied with its currentness, but asks for free coinage. Nickel-piece never had free coinage, but it wants its currentness restored to at least its former amount, \$1.00. While the two coins have been idly waiting in your pocket for your trolley car to pass, nickel-piece has considered the indignities put upon it by the users of coin, and has become discouraged.

Free Coinage.

Nickel-piece asks: If money be a tool of trade, can the Government create or control such a commercial money? Is not commercial money different from Government money? Are not all such pieces of coined metal, metal only and not money in the sense that the word *MONEY* is used in the Constitution? Is not the action of the Government in coining deposits of gold and silver bullion, merely and no more than issuing a minted certificate of the fineness and weight of the metal in the piece, and giving it a name?—Edw. Atkinson, *Forum*, April, 1895, p. 158.

Nickel-piece wants to know particularly whether or not such a coin is real money, or is only a metallic representative of the real money of the nation.

Can any government—any act of legislation—hold two metals together in free coinage at a ratio appreciably different from that which is established in the markets of the world?—Grover Cleveland, *Annual Message*, Dec. 2, 1895.

Legal Tender.

On the other hand, one great object of legislation is to prevent uncertainty in the interpretation of contracts, and accordingly the coinage act defines precisely what shall constitute a legal offer of payment on the part of the debtor as regards a money debt.—Jevons, *Money*, p. 76.

Contracts are of two kinds, executed and executory. An executed contract is one in which no part of the agreement is left to the future. An executory contract is one in which something is left to the future, something is due from one party to the other party. Debts are the uncompleted parts of certain executory contracts, and in the sense of the gold men, debts are agreements to convey gold coin. An instance in point is the policy of the present administration to pay gold on demand to any holder of the Treasury notes or the greenbacks of the United States. Possibly this has been the custom because of losing sight of the distinction between payments of debt and payments in sales. This distinction was clearly recognized in the early years of our national life. The phrase, “current money,” was then more generally used to mean the money used in cash payments. Lawful tender in all payments whatsoever is the language of the first coinage act (April 2, 1792). The U. S. notes of the act of February 25, 1862, were declared to “be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest upon the public debt.” (The whole subject of lawful tender will be reserved for future study.)

Four Distinct Acts of Law.

1. The fact is, our General Government has *STRUCK AND COINED* at [its] said mint, coins of gold and silver and other metals; has named the coins; and paid or delivered them—issued them—to the depositors of bullion (act of April 2, 1792).

2. The Government has received *FOREIGN* coins in payments made into its Treasury, and before “issuing them in circulation” it has recoined them into United States coins (act of February 9, 1793).

3. Congress made domestic coins “a *LAWFUL TENDER* in all payments whatsoever” (April 2, 1792). Foreign coins coined were also made “a legal tender for the payment of all debts and demands” (February 9, 1793). Copper coins (May 8, 1792) and foreign coins were made to pass current as money (February 9, 1793).

4. Congress enacted “that the *MONEY OF ACCOUNT* of the United States shall be expressed in dollars or units, dimes or tenths, etc., and that all accounts in public offices, and all proceedings in the courts of the United States, shall be kept and had in conformity to this regulation” (act of April 2, 1792).

That is to say, the four distinct acts of law are, free coinage, and coinage upon government account; the designation of dollar-pieces, coins, as the means of making exchanges of commodities, and the designation of the dollar as the means of estimating values before making exchanges. As stated before, we are so accustomed to the use of coined money that we have learned to identify or confound money with gold and silver; hence have come hurtful and insidious fallacies (Jevons).

It may be, my dear madam, that the question asked

by Nickel-Piece, concerning the differences between the money of commerce and the money of the government, has disclosed to us

THE PARADOX

In the money question. We all remember the fable of the shield and the certainty of each disputant that the other was in error. There are two points of view in many or all subjects. The fly on the hub of a moving wheel sees things very differently from the fly at the outer end of the spoke.

Is it not true that the money of commerce and Governmental money are as unlike as the experiences of the two flies on the moving wheel? Is it true? B.

The World Is Ruled By Ideas.

EVERY few centuries God drops a great idea into the soul of man. Whether it becomes destructive or constructive depends upon what is done with it, and who has charge of the doing. Great ideas, arousing great moral passions, come to stay. Though we crucify them, they will not die; they thrive on persecutions and are enthroned by crucifixions. Two thousand years ago the master idea of the world was

REDEMPTION.

It was not confined to Judea. It was everywhere; among the Hindus, the rude Norse poets, the Greek philosophers, the Briton Druids. The people felt themselves to be under the victory and despotism of evil, helpless to save themselves, and they waited for the redemption of a new, divine and delivering power.

Nearly a thousand years ago God planted

THE IDEA OF LIBERTY

In church and state, to become the seed of a new earth. The idea drew together a little band of German mystics. The burning of John Huss flashed the light of this idea over Europe. It kindled the mind of Luther, and made him the terror of God to the friends of darkness. It illumined the soul of Savonarola with the vision of Florence as a city of God. It tempered Cromwell, as God's rod of iron, to dash in pieces the divine right of kings, which had become the citadel of all that was false, vicious and cruel in church and state. It guided the Pilgrims to the Plymouth Rock of the democracy and freedom that are in Christ.

A great idea is now leading the world's thought and lifting its hopes. * * *

THE IDEA OF BROTHERHOOD,

Co-operation, unity, is both destroying and recreating the world. The feeling that men were made to stand together, that the race rather than the individual is the unit, is widening and intensifying. The belief that sacrifice and not self-interest is the social foundation, that the Golden Rule is natural law, is everywhere gaining disciples and power."—Herron, *New Redemption*, p. 12.

"Bargain and exchange, work and wages, are the channels through which we may touch one another's lives with a touch that shall be loving and divine."—*ibid*, p. 58.

Such an evolution is at hand. We all feel the need of a change. We know that radical changes have happened at times in the past. We believe it possible now. Were there no possibility of an improvement in our own national economic life, through forces already existent and at work in our nation, and, too, by methods outlined by our ancestors when they constituted this Federal Government in 1787—then, indeed, we as a people would need redemption, recreation, at the hands of an external financial redeemer—some Old World sovereign. "The doom of onward change is upon us." Yes, but the pattern of the new life—

WHAT IS THE PATTERN?

What is the order of things that is to be? Can man make for himself his own pattern and order of life, in spite of natural and spiritual law? "Which of you by taking thought can add one cubit unto his stature?" Not he who "buys in the cheapest market and sells in the dearest." Does God reckon in dollars or in deeds? Are his commands the fiat of his law because of his sovereignty, or because He ratifies in His command the consensus of opinion of the commercial world concerning integrity, and justice, and righteousness? This conclusion, too, does not imply that man, the human contriver, may not exercise his own God-given power.

Roebing stretched a spider web of steel across East river to Brooklyn so firmly that it sings a song of contentment in the blizzard.

Stephenson applied the heat of fuel to the wheels of a vehicle so deftly that the roar of the passing train is like unto the roar of an avalanche.

Roentgen turns the light of a scientist's plaything upon a photographer's plate, and lo, Guiteau's bullet discloses its hiding place at the call of its Lord God, "Adam, where art thou?" Thus far in human experience, steel had not floated on the wind, nor had round things rolled themselves up hill, nor had man been able to discern anything through a board. Yet we all know, all are aware, of these wonderful results of inventive genius.

"The doom of onward change is upon us." The doom? Nay! Not doom, but destiny; it is not a sentence, a condemnation to our hurt, but a determination for our good. Let us not say doom but joy. The joy of onward change is upon us.

Prof. Herron, in his analysis on page 12 quoted above, gives us a view of the growth of man due to the coming of new ideals into man's thought—redemption, and liberty, and brotherhood; and also he prophesies, on page 58, concerning bargain and exchange, work and wages. He sets an ideal for us in the work of this generation. The social evolution is to be welcomed. B.

From Consent to Command.

IF SUCH a social revolution, and economic evolution is at hand, then we may look for a change in the usual opinions concerning coin, and currency, and money. From the beginning of the century there have been endeavors upon the part of certain astute men to have the power to coin money exercised by the banks, instead of by Congress directly. This effort is not because Congress was not empowered by the People at the Constitution of our present form of Government to coin money, but because if money was issued and controlled by the banks, the stockholders of the banks would be certain to do a profitable business at slight expense to the citizens in general. And at present, if many of our people did not believe that the power conferred upon Congress is not only a needful power, but a mandatory power, a duty, "to coin money," the great question in politics during 1896 would be tariff, as of old, instead of the Money Question, Free Silver.

THE QUESTION OF THE DAY is the money question. The difficulty in the study of this question is to get a starting point.

Silver men say that free silver means free people. Gold men say that free silver means that the nation will lose its freedom as a nation; we then will not be able to pay the balance of trade when it is against us, because we will not be able to borrow gold. The United States does not run its mines of gold on its own account, and it does borrow its gold on bonds. Silver is not at present a current money nor a legal tender in the markets of the world, and it is said that the free coinage of silver will drive all gold from the country. To propose that the fifth clause of section eight of article one of the Federal Constitution be taken as the starting point is to take the very

QUESTION IN DISPUTE.

This clause reads as follows: Congress shall have power [5] to coin money, regulate the value thereof, and of foreign coins, and fix the standard of weights and measures. This clause does not say free coinage, nor say what materials shall be coined, nor at what ratio or parity. Silver men argue that because the tenth section of the same article declares that "No State shall * * * coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; therefore, silver may be coined; and further, that because from 1792 up to 1873 the Mint of the United States was open to the free coinage of both gold and silver, therefore the Mint can and should be opened again to both gold and silver. Besides this form, the question transforms itself often into one of intrinsic value, market value, nominal or legal value and parity, all relating back to the power to coin money. And even the President of the United States, in his Annual Message, takes sides.

The dispute concerning money all comes from

THE DOUBLE MEANING

Of the word money. Is money a coin, or a command, or both?—Matt. 22.19. Is money the same, yesterday, to-day and forever? Even man has grown. Is there not an ideal money to which the money of the civilized world may progress, as the world itself progresses. People usually think of money as identical with coin, and coin as identical with money. There are resemblances, but coin resembles money as a part resembles the whole. Our commercial money—coin and convertible paper—is almost unlike government money. And commercial money being in more common use than government money, we think there can be no money other than commercial money.

The money of the past consisted in great part of coins. The inconveniences of coin money, its weight, its easy debasement and mutilation, the risk of its theft, led merchants to use certificates of special deposit of coin. Thus the banks of the mercantile republics of Italy, and the banks of Amsterdam and Hamburg, were established; and in time the "goldsmith's notes," or promises to deliver the same coin that was deposited, became general promises of payment, CONVERTIBLE INTO COIN on demand. And the bank notes and other paper representatives, though not real money, were used as money. They have been the money of commerce since the Middle Ages.

Mr. Horace White says: "Money is anything that serves as a common medium of exchange and measure of value."—Money and Banking, p. 3. True, money

ORIGINATED THUS BY CONSENT

Of merchant and customer. The money of to-day is different; it exists only by consent of the bankers, and in its present commercial form, money is best described in the words of Ruskin in his essay, UNTO THIS LAST: "Men nearly always speak and write as if riches were absolute, and as if it were possible, by following certain scientific precepts—such as, 'Buy in the cheapest market and sell in the dearest'—for everybody to be rich, whereas the force of money in your pocket depends entirely upon the default of money in your neighbor's pocket; and the art of making yourself rich, in the ordinary commercial sense, is equally and necessarily the art of keeping your neighbor poor.

Government money, on the other hand, may, for the time being, be defined as anything that serves to meet the obligations and pay the expenditures of the Government; and it is a government

MONEY BY GENERAL CONSENT OR COMMAND.

Money is bound up with taxation, but not exclusively. The two instances cited by Jevons (Mechanism of Exchange, p. 204); first, the use of iron coins by the Clazomenians in place of silver coins, whereby they paid a debt and extinguished a payment of interest thereon accruing at the rate of 25 per cent annually; and second, the building of the Guernsey Market by

Governor Daniel le Brocq, whereby 4000 market notes of one pound each were used in building the market, and were cancelled by their receipt in payment of rents, are examples of the development of government money. The greenbacks, and bonds, and national bank notes of our own country belong to this class of money—money by general consent or by command. The U. S. Mint has coined much government money; all the copper and nickel coins and also the smaller silver coins minted since 1857 are coins on government account.

Commercial money and government coins are found by people to be very different in their power as soon as people endeavor to use such money and such coins as they might use an ideal or a real money.

The commercial money of to-day consists of gold and paper convertible into gold, not gold coin. Gold is not an ideal money for the mass of the people, nor for our Government.

GOLD BULLION IS NOT CURRENT MONEY in the United States, although it is said to be the only money current in the markets of the world. Its use depends upon its possession by the user, and possession depends upon borrowing. Our government long ago sold out as many of its gold mines to the first applicant as those searching for gold mines would buy. And even now an owner of a gold mine will sell it at most for its estimated output for three years. Suppose that the man has sold his gold mine and has received foreign coin in payment. Without the help of the U. S. Treasury, can he use his foreign gold coin without suffering loss by a discount? Can he even buy a ticket on a railroad, or a loaf of bread, with such a coin—if the railroad or the baker refuse the coin? Suppose the gold were in its purely commercial form, gold dust, could this man or any one force his creditor to take 25 cents worth in payment of a debt of 25 cents? He could not in California. "Gold dust is not cash": case reported in 1851. 1 Cal. 45. A purely governmental money, a five-cent nickel, will pass as current money and will pay debts in sums not to exceed 25 cents in amount. And to this extent a five-cent nickel is superior to gold dust as money. But on the other hand, 24 nickels will not pay for a ticket from Oakland to San Jose, price \$1.20; nor will nickels or standard dollars pay for a ticket to New York, unless the railroad company wants small change. Even taxes in California are not payable in small silver, unless the amount is less than ten dollars, because small silver is legal coin only to the amount of ten dollars in any one payment.—Sec. 3888, Political Code of California; and Act of Congress, June 9, 1879.

President Cleveland declares that we are financially ill. So the first question in the study of our financial illness is, What is Money? And in coming to a conclusion in the matter, we must pursue the "real method of obtaining knowledge." Let us begin with some conception of money seemingly true. Let us study the subject until we find the limitation of our first concep-

tion. Then let us supplant that conception by our later conception. Thus proceeding, we will employ provisional conceptions, constantly supplanting them, until we have a conception of money with which thought is perfectly satisfied (Howison). And then must come Action or our financial illness will not even be alleviated;

DELAY WILL BE DEATH.

The money of the past shows a growth like unto the growth of the master ideas of man, outlined by Prof. Herron. Money was a convenience in barter. Then money was coined by the king. Then commercial paper became redeemable, then convertible into silver, and later into gold. At last came freedom—free coinage of both gold and silver. Gresham's Law of the Markets of the World declares that "bad money drives out good money; good money cannot drive out bad money." In the estimation of those who control the markets of the world today, gold makes a good money, honest money, sound currency, and silver is bad money, dishonest money, a debased currency.

The people of the United States whose incomes spring from their labor, yearn for the time to come when there shall be a brotherhood in money as well as among men.

B.

Impromptu.

FROM sunrise shores to Golden Gate,
Oh friend I send thee greeting!
And may'st those wrest from willing fate,
The way to make the happy meeting
Of means and ends o'er all the earth;
So that the true and wise adjustment
Of silver, gold, bank-note or cent,
Shall be the thing that's needed, and be worth
The thing for which 'tis spent.

If women have not thought out a plan
Of finance, worthy of our nation,—
You'll all agree with me, a woman can
To solid metal add a combination
That stretches over many a household need,
And yet a little spares, the hungry world to feed.

And woman's art, too, makes the desert bloom;
Why not "the root of evil" blossom as a rose?
And fill the world with its perfume?

Strange things these later days uncloseth.
In ages all has "money" been decried;
Defamed, called "pelf;" time now 'twas dignified.

Then hail the Journal new!
May currentness give coin a value true;
May currency be good as bonds of gold
And clear the labyrinth of Finance old.

E. T. H.

Let me arise and away
To the land that guards the dying day,
Whose moonlight poured for years untold;
Has drifted down in dust of gold.

—E. R. Sill.

Current Money.

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Salutatory.

TO THINK of Journalism after fourteen years of silence, awakens memories of the old time, the old conflicts, of 1855-6, when we first made our bow to the patient public. Then the people were divided on the question of slavery. Six years later they began to study finance and the merits of "hard vs. soft money. Content that the war was over, and that peace filled all the broad land, men returned to the home life and occupations of earlier years—firm in the belief that, in politics, Lincoln's followers could do no harm.

But Lincoln—that man of insight—found that the money question was more momentous to the nation than slavery. He pondered over Jefferson's and Jackson's contests for national integrity. And, once the war ended, he undoubtedly would have taken up the cause of the common people against the maneuvers of the speculators in gold, with all the earnestness of self-sacrifice. He was sacrificed. He said: "As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow; and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands, and the Republic is destroyed."

The prophecy of Lincoln fell almost unheeded. Long years have slipped away. New parties, new issues are with us. A system of slavery has crept into the United States far-reaching, death-dealing in its cruelty. Its tentacles are attached to nine millions of the twelve million homes. Silently, in the guise of friendship, this monster is absorbing the vitality of the nation.

Interest and principal of the mortgage and the contract debt must be paid in gold coin. Silver is demonetized—greenbacks are in disgrace. The money kings

and their retainers clamor that already we are on a single gold standard.

"What does it mean?" Just this:—that in the near future, we may have to pay \$2 of silver (if we can get it) for \$1 of gold with which to pay interest and taxes.

Suppose the silver men win in 1896. The present silver coins of the United States of smaller denominations than one dollar are and have been since June 9, 1879, a legal tender in all sums not exceeding ten dollars in full payment of all dues public and private (act of June 9, 1879). The present silver dollars are and have been, since February 28, 1878, a legal tender at their nominal value for all debts and dues public and private, EXCEPT WHERE OTHERWISE EXPRESSLY STIPULATED IN THE CONTRACT (act of Feb. 28, 1878). Gold men always stipulate against silver. Unless silver coin is made a legal tender in all payments whatsoever,—receivable for all debts, taxes and duties on imports, we shall be, in respect to the possible premium on gold, more completely at the mercy of the money kings than now. Women are vitally interested in this question because silver is the convenient money of the household and the school-child.

The homes of widows are mortgaged. Women pay taxes. Women are dismayed at the prospect, that in a few years their little ones will not have a toe hold in their native land. Foreign syndicates and foreign gold already have the richest mines and the leading industries of the nation. The profits go abroad, leaving only the beggar's dole to the workers. Twenty-three million acres of the best land in the United States is now owned by these syndicates, and British landlordism is already a fact in free (?) America. It is time to cry aloud and spare not. The suffrage for women is the next step—women themselves must prepare to do battle by ballots; to vote intelligently on all questions, especially those that affect the home.

Personally, I can not stand idly by. I must speak out, and write or die. The leisure hours of the years past have been given to a series of studies on the money question. My only son—loyal and true, proposes to aid me in this work. We and our associates offer to you, dear friends, the beginning of a resume of our joint studies in finance.

C. F. Y.

But no organic law can ever be framed with a provision specifically applicable to every question which may occur in practical administration. No foresight can anticipate, nor any document of reasonable length contain, express provisions for all possible questions. From questions of this class spring all our constitutional controversies, and we divide upon them into majorities and minorities. If the minority will not acquiesce, the majority must, or the government must cease. There is no other alternative; for continuing the government is acquiescence on one side or the other. Lincoln, 1861.

An Arc Light.

IT IS SAID that an arc light, placed in the haunts of vice and crime, reclaims that locality to decency and good order. Just as light drives crime back to hiding, so does wisdom or knowledge sweep ignorance and superstition out of existence. One of our pet superstitions—the one perhaps that binds us in the most complete darkness—is the belief that the ordinary mind cannot grasp financial questions. Just as long as Wall street can keep us in this frame of mind just so long will there be panic and destitution. Why do the financiers want to make gold the standard? Because gold is scarce. There is not enough gold in the world to pay the interest on the debt of the world. Does it require the brain of a Webster to understand that, if the money of a nation be contracted to the most difficult-to-get substance, then the people have less money than if a more plentiful substance be used? The less ready money we have, the more we go in debt; the greater our indebtedness, the greater the interest the money lenders get, and the more they foreclose.

This series of studies upon the most important question before the people today is intended to disabuse the mind of our people of the fallacy that, to a few manipulators, must be left the solution of finance. In other words this journal, we trust, may prove an arc light which will dispel the fog that now envelops us. For when light is thrown upon this question of finance, enabling the people to understand that it is their own superstition which prostrates them before the idol GOLD—then they will rise in their might and say to the speculators “Keep the gold for foreign trade; yes. But we will be impoverished no longer nor enslaved to enrich a few clever gamblers. Americans must have and will have a non-exportable currency, ample for our domestic exchanges.”

S. C. S.

Our Political Household.

IS IT in disorder? “Behold, this have I found,” saith the Preacher, counting one by one, to find out the account; “Which my soul seeketh, but I find not. One man among a thousand have I found, but a woman among all those have I not found. Lo, this only have I found, that God hath made man upright; but they have sought out many inventions.—Eccles. 7.27.

The Ascent of Woman.

MAN in his physical nature and in his social relations is what he is, through a process of becoming. In the first long chapter of his development his relation to other animals was constantly changing. In the second, the chief change is in his relation to his fellow men. From the first rude groups that herded together in caves, to the members of that complex

organism—nineteenth century Anglo-Saxon civilization—every step in the progress of the individual has been marked by progress in his relation to his fellows. Alternately each improvement has been the cause and the effect of the other.

The evolution of language through organization made possible an enormous advance for the individual; and individuals, gaining in childhood the experience of their masters, knew the better how to act together. That the relations of the sexes should change with the varying conditions of the race was inevitable. There is in human progress the same subordination to utility that marks all evolution.

IN THE INFANCY OF THE RACE,

reproduction was the all important function. Men were few in a wide world already occupied by huge animals. To wrest dominion from the lower animals, the creature who had but lately emerged from that level must multiply. With such great odds against mankind, many of their offspring must perish before reaching maturity; and only a numerous progeny could increase their numbers. All else was necessarily subordinated to the propagation and spread of the species. The world must first be peopled that the progress of humanity might begin. To feed themselves and their young was probably the only “sphere” of male and female alike in the earliest periods. So long as the struggle for existence was waged chiefly with the lower animals, the female was equally active with the male in procuring food for self and providing for and protecting the young. There was equality of rights and labors as throughout the animal kingdom.

When the dominion over the beasts of the field and the fowls of the air was achieved in certain favored spots or centers of population, the conflict for the means of living came on between man and man. The favored spot became overfull to yield sustenance to all. To wrest from other men the familiar haunt was more desirable than to push out into a new region; so the conflict of the ages began. The victorious mates remained in possession of the cave or sheltered valley and the defeated went forth to conquer another spot from nature or from other men.

War increased organization and the necessity for growth in numbers.

The life of woman, the chief factor in reproduction, was too important to the race to be risked in the racial struggle; organization advanced in the direction of guarding the female, and

A DIVISION OF LABOR ENSUED.

One half the race was now entirely devoted to the rearing of the young, while the other half guarded and provided for them.

Woman continued more or less the provider and protector of the offspring because such provision was wrung from nature, and such protection was extended against

the elements and lower orders of life. While man became the provider and protector where such provision was wrested from his fellow men, and such protection extended against them. The internal relations of the gens, tribe, or family became the province of the female and its external relations that of the male.

The exigencies of warfare tended constantly to sharpen the mind of man and to develop his thinking capacity, while woman in the duties of reproduction and the care of the young, had little to stimulate the intellectual growth. The difference in employments and activities induced a difference in development. The initiative became the province of the male; he constantly tended to progress; she to maintain the existing status. Inheritance, however, has as constantly tended to equal intellectuality. The male of one age was indeed the superior of the female of his own age; but she was superior to the male of a preceding age. He was simply in advance. The higher intellectual development drew up the lower after it; but in drawing up the lower it was itself retarded in its progress. The women of each succeeding time have a higher mental capacity because of

THE SUPERIORITY OF THEIR FATHERS,

but the men have lower capabilities than otherwise they might have had, because of the inferiority of their mothers.

The absolute advance of the race has therefore been retarded by the cause which retarded the mental progress of one of the sexes. This cause was the necessity for increase of population with a consequent absorption of the energies of the female sex.

Through all the centuries of historic time the relative rate of advance between man and woman has remained about the same until now, in this latter half of

THE NINETEENTH CENTURY,

the female mind has suddenly sprung into unprecedented intellectual activity. Women are advancing in mentality at a rate which, if maintained, would in a few centuries put them far in advance of men.

What is the meaning of this apparent overturning of the laws governing social evolution?

In spite of the dictum of Darwin that nature never makes leaps, the consensus of opinion among leading scientists today is, that nature does sometimes go forward with a bound. While progress is uniformly continuous for long periods, at certain points, when changing conditions have reached a climax, enormous advance takes place in a comparatively short space of time. Psychological evolution has the same laws as physical, and in the mental history of the race are we not now in such an epoch of transition?

What change in man's environment justifies an affirmative answer to this question? It is this: Reproduction no longer requires the entire energies of one half the race. The world is populated; henceforth not increase but maintenance is demanded. The dominion

over nature has been achieved. Man is master; he has come into his kingdom and a new era of psychical progress is opening before him. With growing knowledge of the laws of life great plagues have ceased, and epidemics are diminishing; with better hygiene, infant mortality is diminishing. The time is coming when families of two, three, or four children will be sufficient to keep the earth peopled to its present extent. To bear and rear such a family is but

AN EPISODE IN A WOMAN'S LIFE

instead of the whole of it. The care of the child in the years following infancy no longer makes the same demand upon the mother. The preparation of the food and clothing is more and more consigned to great establishments where it can be most economically done; churches and schools take a large part of the mental, moral and physical training of the child, beginning at an early age; and the kindergarten, which will in time, be a part of the general public school system, begins it still earlier. The training of children tends to be more and more given into the hands of specialists, themselves trained for the work.

The fact that intellectual growth lessens the fertility of women and abridges the period of lactation, has been a source of alarm to many thinkers. But we do not see in it an indication that the time has come when the race can afford to remain stationary in numbers rather than go forward with double speed in intellectual development. Instead of increase of population continuing until starvation checks it, the higher development of humanity tends to check it, when it reaches the point where nature yields to man the best returns. Instead of deterioration from over-population, there is a possibility of a new era of improvement. Women, released from the overweening predominance of reproductive duties, no longer retards the psychical progress of the race; but is ready to take an equal share in it and give to the civilization of the future

THOSE FINER SPIRITUAL QUALITIES

evolved in her, through a long career of self abnegation. This marks the dawn of a true "new era." The race as a whole could never attain to its best estate until men and women develop equally, until men rise in their moral development to the level of women, until women rise in their mental development to be the equals of men. The last is arriving and it will hasten the arrival of the first.

When inherited capabilities are equal from both parents, and opportunities for culture equal to all children, who can tell to what heights humanity may rise? Perhaps in the noontide of that coming day whose glorious dawn we hail, truth and justice may really reign, not as now theoretically. The race may attain to that high ideal which it now adores, yet strives not after. — *Woman's Medical Journal*, August, 1895. Toledo, Ohio.

The Breath of Patriotism.

Abraham Lincoln.

Sail On, O Union.

SAIL on, O Union, strong and great!
 Humanity, with all its fears,
 With all the hopes of future years,
 Is hanging breathless on thy fate!
 We know what Master laid thy keel,
 What Workman wrought thy ribs of steel;
 Who made each mast, and sail, and rope,
 What anvils rang, what hammers beat,
 In what a forge and what a heat
 Were shaped the anchors of thy hope!
 Fear not each sudden sound and shock,
 'Tis of the wave and not the rock;
 'Tis but the flapping of the sail;
 And not a rent made by the gale!
 In spite of rock and tempest's roar,
 In spite of false lights on the shore,
 Sail on, nor fear to breast the sea!
 Our hearts, our hopes, are all with thee;
 Our hearts, our hopes, our prayers, our tears,
 Our faith—triumphant o'er our fears—
 Are all with thee—are all with thee!
 —Longfellow, 1849.

Lincoln In 1858.

I BELIEVE that this Government cannot endure permanently, half slave and half free. It will become all one thing or all the other. * * *

"Squatter sovereignty" was otherwise called the "sacred right of self-government," which latter phrase, though expressive of the only rightful basis of any government, was so perverted in this attempted use of it as to amount to just this: That if any *one* man choose to enslave *another*, no *third* man shall be allowed to object.

I hold that in contemplation of universal law, and of the Constitution, the union of these States is perpetual. Perpetuity is implied, if not expressed, in the fundamental law of all national governments. Continue to execute all the express provisions of our National Government, and the Union will endure forever—it being impossible to destroy it, except by some action not provided for in the instrument itself.

MY COUNTRYMEN,

One and all, think calmly and well upon this whole subject. * * * You have no oath registered in Heaven to destroy the government, while I shall have the most solemn one to "preserve, protect and defend" it. I am loth to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic cords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land, will yet swell the chorus of the Union, when again touched—as surely they will be—by the better angels of our nature.—A. Lincoln's First Inaugural Address, March 4, 1861.

SUCH was he, our martyr-chief,
 Whom late the nation he had led.
 Forgive me, if from present things I turn
 To speak what in my heart will beat and burn,
 And hang my wreath on his world-honored urn.
 Nature, they say, doth dote,
 And cannot make a man
 Save on some worn-out plan;
 For him the Old-World moulds aside she threw,
 And choosing sweet clay from the breast
 Of the unexhausted West,
 With stuff untainted shaped a hero new,
 Wise, steadfast in the strength of God, and true.
 How beautiful to see
 Once more a shepherd of mankind indeed,
 Who loved his charge, but never loved to lead;
 One whose meek flock the people joyed to be.
 Not lured by any cheat of birth,
 But by his clear-grained human worth,
 And brave, old wisdom of sincerity!
 They knew that outward grace is dust;
 They could not choose but trust
 In that sure-footed mind's unfaltering skill,
 And supple-tempered will
 That bent like perfect steel to spring again and thrust.

He was no lonely mountain-peak of mind,
 Thrusting to thin air o'er our cloudy bars,
 A sea-mark now, now lost in vapors blind;
 Broad prairie, rather genial, level-lined.
 Fruitful and friendly for all human kind,
 Yet also nigh to heaven and loved of loftiest stars,
 Nothing of Europe here,
 Or, then, of Europe fronting mornward still,
 Ere any names of serf and peer
 Could nature's equal scheme deface
 And thwart her genial will:
 Here was a type of the true elder race,
 And one of Plutarch's men talked with us face to face.

I praise him not; it were too late;
 And some innative weakness there must be
 In him who condescends to victory
 Such as the present gives, and cannot wait.
 Safe in himself as in a fate.
 So always firmly he;
 He knew to bide his time,
 And can his fame abide.
 Great captains, with their guns and drums,
 Disturb our judgment for the hour,
 But at last silence comes;
 These all are gone and standing like a tower,
 Our children shall behold his fame,
 The kindly earnest, brave, foreseeing man,
 Sagacious, patient, dreading praise, not blame,
 New birth of our new soil, the first American.
 —James Russell Lowell.

What is the estimated annual profit of banks on lost and unclaimed paper?
 About ten per cent of the capital.

U. S. Coinage Laws.

SYNOPSIS OF PROVISIONS IN THE CONSTITUTION.

A. Concerning Money.

1. Under the Confederation, 1778-'87, Congress had power to strike its own coins and also to regulate the value and the alloy or standard of coins struck by the several States.

2. The intentions of the people, when forming this present Government, were to do whatever became necessary to give to all our citizens equality in opportunity.

3. Under the Constitution, power to coin money is continued in Congress; regulation of value of foreign coin is conferred also; this power is not to be exercised by private parties—counterfeiters.

4. The several States may not coin money, nor create a legal tender, but States may confirm the acts of Congress.

B. Concerning Revenue.

5. Taxing power was given to Congress to pay the debts and to provide for the common defense and general welfare of our people. Congress has also power to create debts by borrowing money.

6. One method only to draw money from the United States Treasury.

C. Concerning Sovereign Power.

7. Congress has power to control the property belonging to the United States, including the territory. Query. What does "territory" mean?

8. There is a supreme law of our land, without respect to any outside power, in matters delegated to the Government.

9. All undelegated powers were reserved to the States or to the people.

A. Money.

Articles of Confederation of July 9, 1778.

1. Article 9.

* * * The United States, in Congress assembled, shall also have the sole and exclusive right and power of regulating the alloy and value of coin struck by their own authority, or by that of the respective States—fixing the standard of weights and measures throughout the United States. * * *

Constitution of the United States.

2. Preamble.

We, the people of the United States, in order [1] to form a more perfect union, [2] establish justice, [3] insure domestic tranquility, [4] provide for the common defense, [5] promote the general welfare and [6] secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

3. Article 1, Section 8, Paragraphs 5, 6, 18.

[5] To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

[6] To provide for the punishment of counterfeiting the securities and current coin of the United States ;

[18] To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this constitution in the government of the United States, or in any department or officer thereof.

4. Article 1, Section 10, Paragraph 1.

No State shall * * * coin money, emit bills of credit, make anything but gold and silver a tender in payment of debts. * * *

B. Revenue.

5. Article 2, Section 8, Paragraphs 1, 2, 3.

The congress shall have power to lay and collect taxes, duties, imports, and excises, to pay the debts and provide for the common defense and general welfare of the United States ; but all duties, imposts, and excises shall be uniform throughout the United States ;

To borrow money upon the credit of the United States ;

To regulate commerce with foreign nations, and among the several States and with the Indian tribes.

6. Article 2, Section 9, Paragraph 7.

No money shall be drawn from the treasury, but in consequence of appropriations made by law ; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

C. Sovereign Power.

7. Article 4, Section 3, Paragraph 2.

The congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States. * * *

8. Article 5, Paragraphs 2, 3.

This constitution, and the laws of the United States which shall be made in pursuance thereof ; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land ; * *

The senators and representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation to support this constitution ; * * *

9. IX and X Amendments.

The enumeration in the constitution of certain rights shall not be construed to deny or disparage others retained by the people [1791].

The powers not delegated to the United States by the constitution, nor prohibited by it to the states, are reserved to those states respectively, or to the people [1791].

SYNOPSIS OF ACT OF 1792.

10. Section 20 establishes the dollar as the unit of accounts in the United States in which unit we are to reckon on and do our thinking.

11. And, excepting gold and silver and copper that shall have been minted into coins, this coinage act does not declare the value of anything in terms of such unit dollar. Nor does the act regulating weights and measures establish legal distances, as has since been done by statute in California.

12. Section 1.—The next purpose of the act is to establish a mint for the purpose of a national coinage.

13. Section 9 directs the coinage from time to time of gold, and silver and copper metals. Names the coins, to be made from each metal, their value in dollars or units, their weight, in both pure and standard metal.

14. Section 11 enacts that 15 pounds of pure silver and 1 pound of pure gold shall be of equal value in all payments, when such metals are in the form of coins current by law as money within the United States. That is to say the pure gold in an eagle and a half eagle of 1792, \$15, is in weight [in parity] the same as the pure silver in a dollar of 1792—371.25 grains. [The copper in a cent had a proportional value to silver as 1 to 140 $\frac{5}{8}$ nearly; 371.25 grains of copper, the weight of a silver dollar under the act of 1792, was worth 1.4 cents. This ratio of copper to silver was frequently changed.]

15. Section 16 makes all gold and silver coins struck and issued from the mint, a lawful tender in all payments whatsoever,—that is to say current money,—a tender in cash transactions as well as a tender for payment of debts.

16. Section 14 provides for the free coinage of gold and silver bullion at the option of the possessors of such bullion.

This act does not provide for a supply of metals for coinage on government account.

Acts of Congress.

ACT OF APRIL 2, 1792,

Establishing a mint and regulating the coins of the United States.

Section 1. Be it enacted, etc., that a mint for the purpose of a NATIONAL COINAGE be, and the same is established; . . . Sections 2, 3, 4, 5, 6, relate to officers of the mint and their compensation. Section 7, relates to its accounts. Section 8 after providing for suitable apparatus and the building, provides further that the cost thereof and the expense of running the mint “over and above the sums which may be received by reason of the rate per centum for coinage hereinafter mentioned, shall be defrayed from the Treasury of the United States.”

Section 9. That there shall be from time to time STRUCK AND COINED at the said mint, coins of gold, silver, and copper, of the following denominations, values, and descriptions, viz :

Eagles—each to be of the value of ten dollars or units, and to contain 247 $\frac{1}{2}$ grains of pure or 270 grains of standard gold. Half eagles—each to be . . . and to contain . . . 135 grains of standard gold. Quarter eagles—each to be . . . and to contain . . . standard gold.

DOLLARS OR UNITS (see section 20 for meaning)—each to be of the value of a Spanish milled dollar as the same

is now current, and to contain 371 $\frac{1}{4}$ grains of pure, or 416 grains of standard silver. Half dollars—each to be of half the value of the dollar or unit, and to contain 185 10-16 grains of pure, or 208 grains standard silver. Dimes—each to be . . . 41 3-5 grains of standard silver. Half dimes—each to be of the value of one-twentieth of a dollar, and to contain 18 9-16 grains of pure, or 20 4-5 grains of standard silver.

CENTS—each to be of the value of the one hundredth part of a dollar, and to contain eleven pennyweights (264 grains) of copper. Half cents—each to be of the value of half a cent, and to contain 5 $\frac{1}{2}$ pennyweights of copper.

Section 10 relates to inscriptions on coins.

Section 11. That the proportional value of gold to silver in all coins which shall by law be current as money within the United States, shall be as FIFTEEN to ONE, according to quantity IN WEIGHT, of pure gold or pure silver; that is to say, every fifteen pounds weight of pure silver shall be of equal value in all payments with one pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals. [For proportional value of copper, see article: Unit of value.]

Section 12 fixes “the STANDARD [of purity] for all gold coins” of the United States, at 11 parts fine gold to 1 part alloy of silver and copper, and requires the director of the mint at the end of the first year of the operation of the mint to report to congress “touching the composition of the alloy of said gold coins, the reasons for such practice, etc.”

Section 13 fixes “the standard of all coins of the United States at 1485 parts fine silver to 179 parts alloy”—which alloy shall be wholly of copper.” [The standard of copper is referred to in Sec. 17.]

Section 14. That it shall be lawful for any person or persons to bring to the said mint gold and silver bullion, in order to their being coined; and that the bullion so brought shall be there assayed and COINED as speedily as may be after the receipt thereof, and that FREE OF EXPENSE to the person or persons by whom the same shall have been brought. And as soon as the said bullion shall have been coined, the person or persons by whom the same shall have been delivered, shall upon demand receive in lieu thereof coins of the same species of bullion which shall have been so delivered, weight for weight, of the pure gold or pure silver therein contained. . . .

[But at the option of bullion-owner he might receive coin at the time of bringing such bullion—at an expense of $\frac{1}{2}$ per cent from the weight of the pure gold or pure silver.]

Section 15 relates to order of coinage of bullion deposited.

Section 16 That all the gold and silver coins which have been struck at, and issued from the said mint, shall be a LAWFUL TENDER in all payments

whatsoever, those of full weight according to the respective values hereinbefore declared [15 to 1], and those of less than full weight at values proportional to their respective weights.

Section 17 relates to the duty of the officers of the mint to conform their minting to the prescribed standards for gold and silver "and that the copper whereof the cents and half cents aforesaid may be composed, shall be of good equality."

Sections 18, 19 refer to assaying samples of coin minted, and fixing the penalty for debasing the coin in quality or in weight through fraudulent intent, or embezzling the metals committed to the mint, at death.

Section 20. That the MONEY of ACCOUNT of the United States shall be expressed in dollars or units, dismes or tenths, cents or hundredths, and milles or thousandths, a disme being the tenth part of a dollar, a cent " " a mill " " and that all accounts in public offices and all proceedings in the courts of the United States shall be kept and had in conformity to this regulation.

Coins of the United States.

SILVER COINS.

DOLLAR. Authorized to be coined by act of April 2, 1792; weight 416 grains; fineness, 892.4 in 1000. By act of January 18, 1837, weight changed to 412½ grains; fineness, 900 in 1000. Mint price, at the rate of one dollar for 371.25 grains pure silver. Its coinage discontinued by act of February 12, 1837—the word dollar in the list of silver coins having been omitted. Total amount coined from 1793 to 1806, \$1,438,517. Its coinage was suspended in 1806 by order of President Jefferson to prevent the export of silver dollar pieces for profit. Coinage resumed in 1836. Total amount coined to February 12, 1873, \$8,031,238.

Coinage re-authorized, act of February 28, 1878. Purchase of silver bullion, not less than \$2,000,000 worth nor more than \$4,000,000 worth per month, at the market price thereof,—directed, and such bullion to be coined monthly upon government account.

Manner of purchase changed by act of July 14, 1890, to an amount not to exceed 4,500,000 ounces per month at a rate not exceeding the mint price of 1792, one dollar for 371.25 grains of pure silver. Manner of payment by the government for bullion, was also changed—from "money in the Treasury" to "Treasury notes, redeemable in gold or silver coin, at the discretion of the Secretary of the Treasury."

Amount to be coined fixed at 2,000,000 ounces each month from July 14, 1890, to July 1, 1891, and thereafter only as much as may be necessary to provide silver dollars for the redemption of the silver treasury notes.

From February 28, 1878 to July 14, 1890 the mint purchased 291,272,019 ounces of fine silver at a cost of \$308,279,261 in lawful money at an average price of \$1.0583 per fine ounce. (Coinage statistics

revised to Aug. 1, 1894, p. 124.) From this there were coined 378,166,793 pieces each of the legal value of \$1.00: average bullion value each piece, \$0.8185 cents in lawful money (*ibid* p. 98). From July 14, 1890 to Nov. 1, 1893 when the purchasing clause of the act of July 14, 1890 was repealed, the mint purchased 168,674,682.53 ounces of fine silver at a cost of \$155,931,002.25 in treasury notes, at an average price of \$.9244 per fine ounce. Average bullion value in lawful money of the silver in the U. S. Treasury behind each dollar of treasury notes \$0.7150. [*ibid* p. 124.]

By practice of the administration these treasury notes are payable in gold coin on demand; and then by law the notes are re-issued—in ordinary disbursements by the Treasury. When redeemed by request in silver, the treasury notes are retired and cancelled, being replaced in circulation by silver coin.

Total amount of silver money in dollar pieces or dollar notes is as follows:

From 1792 to 1873 in coin..... \$8,031,238.

From 1878 to 1890 in coin..... 378,166,793.

From 1890 to 1893 in notes... 155,931,002.

Nickel Piece Says:

The junior editor was reading aloud, "The mint officials certainly state that the silver dollar of 1792 was made the unit of value."

"That's me," whispers Silver Dollar in my pocket to Nickel-piece. Nickel-piece is quiet for the moment repeating to itself the wording of the act of 1878. The senior editor had just called for its reading: "That there shall be coined, etc., silver dollars of the weight of 412½ grains troy of standard silver, as provided in the act of January 18, 1837."

"You're right," says Nickel-piece "that is if the officers of the mint made no mistake—as provided in the act of 1837. Did you, under the act of March 3, 1871, come out of the prison dungeon of the U. S. Treasury to help redeem 400 of my brother-nickels from further wear and tear on 'Change? Tuck about you being the unit of value—I am one of the 95,670,000 nickel-pieces coined before 1871. I was redeemed once from further abrasion, was left sacked up in confinement in the vaults, and stayed there until 1881, wondering how my unit of value—I mean my unit—redeemer stood the turmoil of the resumption of specie payments. I was redeemed with paper. Afraid I would be abraded! I, a nickel-piece! Why your 1,162,412 cousins of that day were so fearful that they would be abraded 3 cents worth in the ounce that they speedily travelled to foreign countries the better to support themselves and families. (From 1866 to 1871 the excess of exports of silver coin and bullion over imports was \$70,692,949, Senate Report of 1894, No. 235, p. 256). And even King-Free-White-Coin abdicated his throne in 1873 to Yellow Mandarin, chagrined at the loss of the allegiance of his silver dollars of 1837."

"Strange that such a little coin as a Nickel-piece," clinked Silver Dollar, "should absorb so much information during imprisonment. Everybody knows you are subsidiary and I am standard; and my cousins too of that former generation travelled upon their merit, fit ministers plenipotentiary to foreign countries."

"Now see here, Silver Dollar," said Nickel-piece as he rolled over into the other corner of my pocket, "I will admit that your cousins, the silver dollars of my day, and your half-brothers, the trade dollars of 1873, were exported to China and India as competitors with the pillar dollars of Mexico. And they went there too, on account of that most primitive and powerful instinct of the human race—the passion for personal adornment; and being durable, they were universally esteemed (Jevons p. 24)—except where otherwise expressly stipulated in the contract (John 4:44). Being easily transferrable after they were mutilated or stamped by the local Chinese bankers, it was natural that they should circulate as money until such time as they should be melted up to be made into ornaments for the Mandarins.

"Silver Dollar a unit of value before 1873! Silver is beautiful, yet gold is even more beautiful." (Jevons p. 47).

"Gold-Dollar a unit of value since 1873! Both of you are only 'ingots of which your weight and fineness are certified by the integrity of designs impressed upon the surfaces of your metal sides'" (7 Wallace 230).

As I jumped up to catch the coming trolley-car, I heard enraged cries "Ingot! You say ingot to me!" "E Pluribus Unum." And as I stepped out of the office I heard Nickel-piece fall to the sidewalk. It had slipped through a rip in my pocket made by the arrows in the Dollar-bird's talons.

Nickel-piece had told its truth too plainly.

R. E. B.

England's Foreign Trade in 1895.

Its effect on our nation verifies Eckles' statements [see page 2]. This is taken from Tillman's speech. He quotes it from the *Statis*, London, January 11, 1896.

Our foreign trade in 1895 has been the most profitable in the history of the country, and very much more profitable than it was in 1890, when superficially it appeared to be extremely prosperous.

The cash value of our foreign trade is, however, no guide to its real value or its profitableness. The United Kingdom is a consuming country, and it imports the greater portion of its food supplies, as well as nearly the whole of its raw materials for textile manufactures. These food stuffs and raw materials are sent here in payment for purchases of British manufactured goods, for interest and profits upon capital due to Great Britain from producing nations, and for transport and other services rendered. Consequently, the lower the prices for food stuffs and raw materials the greater will be the quantity required to be sent to this country [England] to meet interest and other obligations and to pay for other services rendered.

Further, prices of British manufactures exported have not fallen to an extent corresponding to the decline in prices of foreign and colonial produce imported, and consequently the cash proceeds of our exports have purchased a relatively larger quantity of British and foreign produce.

On balance, therefore, there was a greater profit upon our foreign in 1894 than in 1890 of about 39,000 pounds.

In 1895 this country has been able to purchase

foreign and colonial produce even more cheaply than in 1894.

We have calculated what all the chief articles, comprising 60 per cent of our total imports and exports, would have cost had we had to pay and had received similar prices in 1895 to those current in 1894. We have estimated the movement of prices of the remaining 40 per cent on the same basis.

The cash value of our imports in 1895 was £416,687,000, but at the level of prices the value would have been no less than £507,100,000. The benefit to this country, therefore, from the fall in prices of foreign and colonial produce in 1895 compared with 1890 thus amounted to the enormous sum of £90,400,000. On the other hand, our exports in 1895 were of the cash value of only £226,169,000, whereas at the prices of 1890 the value would have been £267,600,000, thus entailing a loss of £41,500,000, due to the fall in prices. On balance, therefore, the fall in prices in 1895 compared with 1890 gave a net profit to this country amounting to about £49,000,000.

In 1895 we purchased 15,688,000 hundredweight of raw cotton, against 16,013,000 hundredweight in 1890, a diminution of 345,000 hundredweight, or 2 per cent, but we paid for our raw cotton supplies £12,327,000 less in 1895 than in 1890. Had we purchased the same quantity in both years the benefit to this country from the fall in the price of cotton would have been £11,500,000. In 1895 we purchased 100,118,000 hundredweight of wheat and flour, as against 76,247,000 hundredweight in 1890, an increase of 23,871,000, or 31 per cent, while we have actually paid about £2,451,000 less in 1895 than in 1890, the value of our wheat and flour imports in 1895 having been £32,207,000 against £23,361,000 in 1890. In other words, at the 1890 level of prices we should have paid £42,880,000 for our wheat and flour supplies in 1895, whereas we have actually paid only £30,207,000, a benefit from the lower price of no less than 12,600,000 pounds. Our imports of wool for 1895 exceeded those of 1890 by 142,000,000 pounds, or 22 per cent; but in 1895 we actually paid 830,000 pounds less than we did in 1890—that is to say, we have paid 26,321,000 pounds for wool in 1895, which at the 1890 level of prices would have cost us 33,100,000 pounds, a benefit of about 6,800,000 pounds. In 1895, we imported 31,157,000 hundredweight of sugar, as against 25,693,000 hundredweight in 1890, an increase of 5,464,000 or 21 per cent, and with this enormous increase in quantity we have actually paid 390,000 pounds less in cash, the cash value of our sugar imports in 1895 having been 17,685,000, as against 18,075,000 in 1890. At the 1890 level of prices we should have paid for sugar imported in 1895, 21,870,000 pounds, as against the actual cost of 17,685,000 pounds, a benefit from the fall in price of over 4,000,000 pounds.

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